



GOVERNMENT FINANCE STATISTICS

DECEMBER 2024

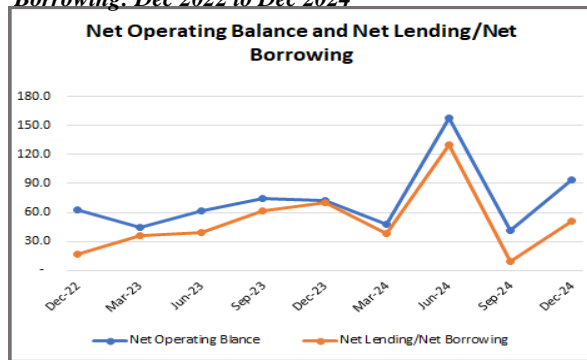
HIGHLIGHTS

- ❖ **Total Revenue: \$278.3 million, grew by 6.4% on a yearly basis.**
- ❖ **Total Expense: \$184.1 million, down by 2.9% on a yearly basis.**
- ❖ **Net Operating Balance: \$94.2 million.**
- ❖ **Net Lending / Borrowing: Surplus of \$51.3 million.**
- ❖ **Total Government Debt: \$801.9 million, down by 7.8% on a yearly basis.**
- ❖ **Total External Debt: \$749.4 million.**
- ❖ **Total Domestic Debt: \$52.5 million**

OVERVIEW:

The Budgetary Central Government recorded a net operating surplus of \$94.2 million for the quarter indicating an increase of \$22.2 million compared to the same quarter of 2023. Revenue collection was recorded at \$278.3 million which went up by \$16.7 million from \$261.6 million in December 2023. This was largely due to an increase in tax collections. Despite this surplus, total operating expenses went down by \$5.5 million to \$184.1 million when compared to December 2023. This reduction was influenced mainly by the \$7.7 million decline in compensation of employees. Increase in the use of goods and services by \$7.1 million and grant expenses by \$2.6 million weren't significant enough to counter this effect. The overall balance (net lending / net borrowing) was recorded with a surplus of \$51.3 million which was \$19.4 million less than December 2023 reflecting a 27.4% decline on a yearly basis. This was caused by an increase of \$26.1 million in total expenditures amounting to \$227.0 million for the quarter under review. This was caused by major investments in non-financial assets which significantly increased expenditures from \$1.3 million in December 2023 to \$42.9 million in December 2024. Additionally, the banking system recorded increased savings of \$38.9 million in the reviewed quarter.

Chart 1: Net Operating Balance and Net Lending/Net Borrowing: Dec 2022 to Dec 2024



Revenue

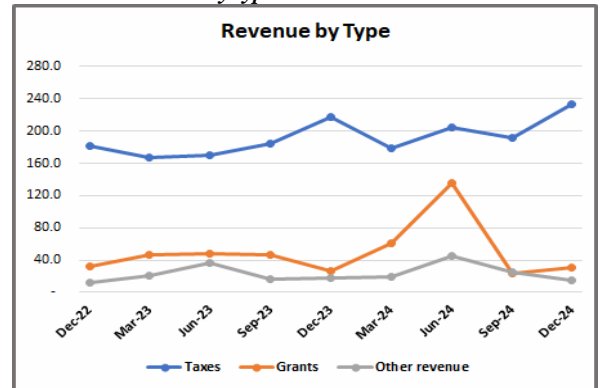
Total revenue collected for the December 2024 quarter stood at \$278.3 million increased by 6.4% compared to \$261.6 million in December 2023. Taxation revenue was the major contributor totalling \$233.5 million accounting for 83.9% of total revenue. Grants received during the quarter amounted to \$30.5 which was 10.9% of total revenue. Other revenue collected was \$14.4 million which makes up the remaining 5.2% of total revenue for the quarter under review.



Taxes

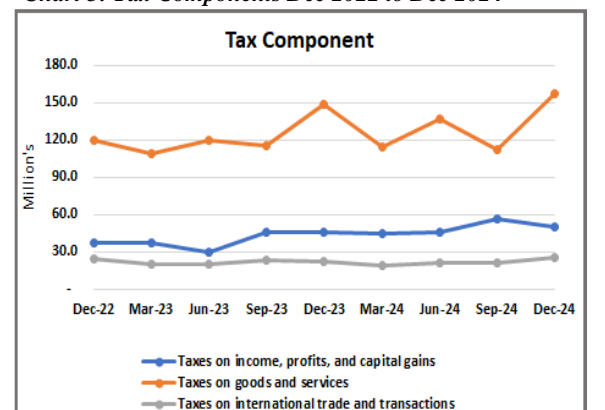
Taxes form the largest portion of revenue showing an increase of 7.4% from \$217.4 million in December 2023 to \$233.5 million in December 2024. Taxes on income, profits, and capital gains increased by 9.5% on a year-on-year basis. This includes taxes payable by individuals which grew by \$1.1 million or 4.7%. Taxes payable by corporations and other enterprises went up by \$3.3 recording a total of \$25.9 million for December 2024 quarter.

Chart 2: Revenue by type: Dec 2022 to Dec 2024



Taxes on goods and services also went up by 5.7% from \$148.7 to \$157.2 million. General taxes on goods and services (value-added taxes) increased from \$86.0 to \$93.6 million increased by 8.8% on a yearly basis. However, excises saw a slight decline by 3.8% from \$54.9 to \$52.8 million while taxes on specific services went up by 38.5% compared to December 2023 quarter. Additionally, taxes on international trade and transactions also grew by 14.3% recording a total of \$25.6 during the reviewed quarter.

Chart 3: Tax Components Dec 2022 to Dec 2024



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Grants

Grants saw an increase from \$26.4 million in December 2023 to \$30.5 million in December 2024 reflecting a growth of 15.4%. Addition in grants from foreign governments contributed positively to the overall revenue growth.

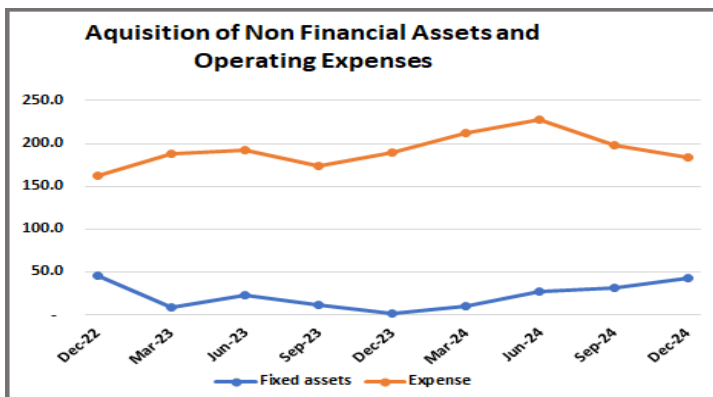
Other Revenue

Other revenue for the December 2024 quarter amounted to \$14.4 million reflecting a decline of 19.6% compared to corresponding quarter of 2023. Within this category, property income totalled \$3.4 million which was a significant reduction by 65.1% from the previous year. This included interest income that went down by \$5.6 million compared to December 2023. Dividends declined by \$0.7 million on a year-on-year basis. On the other hand, sales of goods and services went up by 34.2% to \$10.7 million for the quarter under review. Administrative fees increased by \$0.7 million while incidental sales by non-market establishments which increased by \$2.0 million for the quarter under review.

Expenditure by Type

Total expenditure, including investments increased by \$36.1 million to \$227.0 million in December 2024. The overall decline in growth of operating expenses by 2.9% was primarily driven by a reduction in compensation of employees (\$7.7 million or 9.4%) and interest expenses. Increases in the use of goods and services by \$7.1 million, other expenses by \$2.1 million and grants by \$2.6 million partially offset the overall decrease in operating expenses. The substantial increase in net investment in non-financial assets, particularly in fixed assets, contributed significantly to the overall increase in total expenditure.

Chart 4: Acquisition of NFA's and Operating expenses: Dec 2022 to Dec 2024



The total operating expense declined by 3.6% from \$189.6 million in December 2023 to \$184.1 million in December 2024. This performance was influenced by various components of expenses such as compensation of employees which went down 9.4% on a year-on-year basis. Wages and salaries were reduced by \$6.7 million while employers' social contributions went down by \$1.0 million for the quarter under review.

Use of goods and services increased by \$7.2 million indicating higher spending on operational needs and services. Interest expenses remained steady at \$2.2 million for December 2024 quarter. Grants went up by \$2.6 million contributing positively to overall expenses. Social benefits experienced a slight increase showing marginal growth of 1.8%. Other expenses increased significantly from \$1.4 to \$3.5 million. Net acquisition in non-financial assets increased substantially from \$1.3 million in December 2023 to \$42.9 million in December 2024 quarter. This includes investments in fixed assets, indicating a significant focus on capital spending.

Table 1: Operating Expenses: December 2024

Operating Expense	Sep 24	Dec 23	Dec 24	% Change	Contribution to Change	Composition
Compensation of employees	81.8	81.5	73.8	(9.4)	(4.0)	40.1
Use of goods and services	52.3	48.8	56.0	14.6	3.8	30.4
Interest	4.4	2.2	2.2	(2.1)	(0.0)	1.2
Subsidies	0.2	9.8	-	-	(5.2)	-
Grants	50.6	36.9	39.5	7.0	1.4	21.5
Social benefits	7.0	8.9	9.1	1.8	0.1	4.9
Other expense	1.7	1.4	3.5	142.3	1.1	1.9
Total Operating Expenses	197.9	189.6	184.1	(2.9)	(2.9)	100.0

Expenditure by COFOG

Total expenditure by functions of Government was \$227.0 million during the December 2024 quarter representing an increase of \$36.1 million (or 18.9%) on a yearly basis. The General Public Services had the largest share amounting to 31.2% of total government expenditure. A total of \$38.1 million was allocated for the Health Sector which is 16.8% of government spending during the reviewed quarter. The Economic Affairs sector received \$36.7 million (16.2%) while Education received \$28.2 million equivalent to 12.4% of total COFOG. The remaining 23.4% was distributed among the Public Order and Safety, Social Protection, Environmental Protection, Housing and Community Amenities, and Recreation, Culture, and Religion sectors at \$21.1, \$22.9, \$5.0, \$3.0 and \$1.2 million respectively as summarized in the table below.

Table 2: COFOG December 2024

Expenditure by Function	Sep 24	Dec 23	Dec 24	% Change	Contribution to Change	Composition
General Public Services	54.1	41.5	70.8	70.5	15.3	31.2
Health	38.1	38.7	38.1	(1.7)	(0.3)	16.8
Education	34.0	32.5	28.2	(13.2)	(2.3)	12.4
Economic Affairs	43.5	25.1	36.7	46.2	6.1	16.2
Public Order and Safety	23.5	19.3	21.1	9.4	1.0	9.3
Social Protection	22.8	18.6	22.9	23.4	2.3	10.1
Housing and Community Amenities	7.7	6.4	3.0	(53.4)	(1.8)	1.3
Environmental Protection	4.5	7.4	5.0	(31.8)	(1.2)	2.2
Recreation, Culture, and Religion	1.2	1.4	1.2	(15.3)	(0.1)	0.5
Total Expenditure by Function	229.4	190.9	227.0	18.9	18.9	100.0

Government Debt

As of December 2024, the Government's outstanding debt amounted to \$801.9 million showing a reduction of \$62.8 million compared to December 2023 quarter. The total external debt was \$749.4 million consisting of loans owed to multilateral and bilateral partners.

Multilateral loans amounted to \$441.8 million which included \$158.7m owed to ADB, \$264.9m to the WorldBank, \$13.8m to OPEC, \$1.9m to the European Investment Bank and \$2.4m to the International Fund for Agricultural Development.

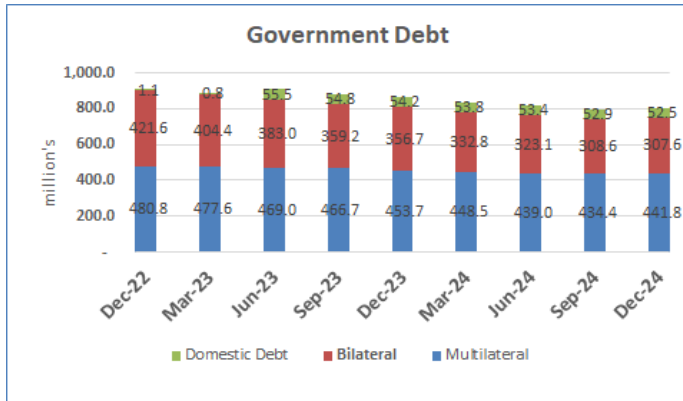
Bilateral loans amounted to \$307.6 million and included \$258.6 million owed to the Government of the People's Republic of China and \$49.0 million to JICA. Moreover, outstanding debt with local financial institutions stood at \$52.5 million accounting for 6.5% of Government's overall debt for December 2024. This overall reduction in debt indicates Government's efforts towards effectively managing its liabilities.

Additionally, the outstanding debt with local financial



institutions stood at \$52.5 million representing 6.5% of the Government's overall debt for the December 2024 quarter. This overall reduction in debt indicates the Government's efforts toward effectively managing and reducing its debt liabilities.

Chart 5: Total Government Debt: Dec 2022 to Dec 2024



The detailed data can also be used to examine specific areas of government operations, example: particular forms of taxation, level of expense and the amount of government borrowing etc. The harmonization of this system with other macroeconomic statistical systems like the System of National Accounts means that data from the GFS can be combined with data from NA to assess government performance in relation to the rest of the economy. Similarly, it can also be used for inter-country analysis of government operations, such as comparisons of ratios of taxes or expense to gross domestic product.

The Bureau is continuing with the work on refinements and improvements to the framework ensuring compliance with the latest GFSM 2014 published by the IMF. This also ensure that the latest information is incorporated in the system and reflected in the report.

This report provides the latest available information on the government financial operations and activities presented in tables attached and ordered as follows:

List of tables

- Table 1: Statement of Operations: December 2022 - December 2024
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- Table 5: Classification of Function of Government: December 2022 - December 2024
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